

# TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 989.  
FILED, OCTOBER 24th, 1963.

## TOWERS MARTS AND PROPERTIES LIMITED

Full corporate name of Company  
Incorporated under the laws of the Province of Ontario  
by Letters Patent dated July 21, 1961.  
Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953  
(Ontario) by Letters Patent dated May 1st, 1957).

NOV 6 1963

### FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	This filing statement is filed with respect to the Company's Proposal to its creditors under Part III of the Bankruptcy Act. See Schedule "A" on pages 3 & 4.																																																																		
2. Head office address and any other office address.	99 Avenue Road, Toronto.																																																																		
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	<table><thead><tr><th colspan="4">OFFICERS</th></tr><tr><th>Name and Address</th><th>Office</th><th colspan="2">Chief Occupations for past 5 years</th></tr></thead><tbody><tr><td>Benjamin Rosenberg, 2500 Bathurst Street, Toronto, Ontario</td><td>President</td><td colspan="2">Executive</td></tr><tr><td>Sidney Gottlieb, 65 Billington Crescent, Don Mills, Ontario.</td><td>Secretary and Comptroller</td><td colspan="2">Chartered Accountant.</td></tr><tr><td>Ben Sobel, 203 Strathearn Road, Toronto, Ontario</td><td>Treasurer</td><td colspan="2">Chartered Accountant</td></tr><tr><td>Lawrence Salsberg, 25 Honbury Road, Rexdale, Ontario.</td><td>Assistant Secretary</td><td colspan="2">Executive</td></tr><tr><th colspan="4">DIRECTORS</th></tr><tr><th>Name</th><th>Address</th><th colspan="2">Chief Occupations for past 5 years</th></tr><tr><td>Benjamin Rosenberg</td><td>2500 Bathurst Street, Toronto, Ontario</td><td colspan="2">Executive</td></tr><tr><td>Sidney Gottlieb</td><td>65 Billington Cresc., Don Mills, Ontario.</td><td colspan="2">Chartered Accountant</td></tr><tr><td>Walter H. Wells</td><td>85 Knowlwood Road, Rochester, New York.</td><td colspan="2">Executive</td></tr><tr><td>Joseph Grassi</td><td>145 Seneca Pkwy, Rochester, New York.</td><td colspan="2">Executive</td></tr><tr><td>Seymour Zuckerman</td><td>1 Meadowbrook Avenue, Toronto, Ontario.</td><td colspan="2">Executive or Attorney</td></tr><tr><td>Marshall H. Jones</td><td>1285 Clover Street, Rochester, New York</td><td colspan="2">Executive</td></tr><tr><td>Harold Lieberman</td><td>131 Shonnard Street, Syracuse, New York.</td><td colspan="2">Executive</td></tr><tr><td>Anthony Sketches</td><td>264 Livingstone Ave., Toronto, Ontario.</td><td colspan="2">Director of Operations</td></tr></tbody></table>			OFFICERS				Name and Address	Office	Chief Occupations for past 5 years		Benjamin Rosenberg, 2500 Bathurst Street, Toronto, Ontario	President	Executive		Sidney Gottlieb, 65 Billington Crescent, Don Mills, Ontario.	Secretary and Comptroller	Chartered Accountant.		Ben Sobel, 203 Strathearn Road, Toronto, Ontario	Treasurer	Chartered Accountant		Lawrence Salsberg, 25 Honbury Road, Rexdale, Ontario.	Assistant Secretary	Executive		DIRECTORS				Name	Address	Chief Occupations for past 5 years		Benjamin Rosenberg	2500 Bathurst Street, Toronto, Ontario	Executive		Sidney Gottlieb	65 Billington Cresc., Don Mills, Ontario.	Chartered Accountant		Walter H. Wells	85 Knowlwood Road, Rochester, New York.	Executive		Joseph Grassi	145 Seneca Pkwy, Rochester, New York.	Executive		Seymour Zuckerman	1 Meadowbrook Avenue, Toronto, Ontario.	Executive or Attorney		Marshall H. Jones	1285 Clover Street, Rochester, New York	Executive		Harold Lieberman	131 Shonnard Street, Syracuse, New York.	Executive		Anthony Sketches	264 Livingstone Ave., Toronto, Ontario.	Director of Operations	
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4. Share capitalization showing authorized and issued and outstanding capital.	<p>3,000,000 shares without par value, of which 2,250,015 are issued and outstanding and of which 209,985 have been set aside and reserved for issue against exercise of transferable subscription warrants. Each of the said transferable subscription warrants evidences the right of persons other than residents of the United States of America or territories or possessions thereof to subscribe for one share in the capital of the Company on or before the following dates and at the following prices:</p> <table><thead><tr><th>Dates</th><th>Prices</th></tr></thead><tbody><tr><td>September 15, 1962</td><td>\$ 8.00</td></tr><tr><td>September 15, 1963</td><td>\$ 9.50</td></tr><tr><td>September 15, 1964</td><td>\$11.00</td></tr></tbody></table> <p>The said prices are subject to adjustment in the event of the issue of any further shares in the capital of the Company.</p>			Dates	Prices	September 15, 1962	\$ 8.00	September 15, 1963	\$ 9.50	September 15, 1964	\$11.00																																																								
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5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	<div>1. Conditional Sales Contracts as at January 31, 1963 aggregate \$1,261,628.</div> <div>2. Notes<table><thead><tr><th>Original Amount</th><th>Present Balance</th><th>Interest</th></tr></thead><tbody><tr><td>\$700,000</td><td>\$687,330</td><td>12%</td></tr><tr><td>\$460,150</td><td>\$460,150</td><td>none</td></tr><tr><td>\$300,000</td><td>\$300,000</td><td>6%</td></tr><tr><td>\$250,000</td><td>\$47,000</td><td>8%</td></tr><tr><td>\$50,000</td><td>\$50,000</td><td>12%</td></tr><tr><td>\$457,291.20</td><td>\$393,000</td><td>7%</td></tr><tr><td>\$70,000</td><td>\$70,000</td><td>none</td></tr><tr><td>\$15,000</td><td>\$15,000</td><td>none</td></tr><tr><td>\$70,000</td><td>\$70,000</td><td>none</td></tr><tr><td>\$20,000</td><td>\$20,000</td><td>6%</td></tr></tbody></table></div> <div>3. (1) Mortgages on Tashereau Blvd. Property<table><tbody><tr><td>Principal amount</td><td>\$800,000</td></tr><tr><td>Interest</td><td>11%</td></tr><tr><td>Principal amount</td><td>\$300,000</td></tr><tr><td>Interest</td><td>6%</td></tr></tbody></table>(11) Mortgages on Chateauguay Property<table><tbody><tr><td>Principal amount</td><td>\$704,856</td></tr><tr><td>Interest</td><td>12%</td></tr><tr><td>Principal amount</td><td>\$165,000</td></tr><tr><td>Interest</td><td>13%</td></tr></tbody></table></div> <div>Reference is made to paragraph 1 hereof.</div>	Original Amount	Present Balance	Interest	\$700,000	\$687,330	12%	\$460,150	\$460,150	none	\$300,000	\$300,000	6%	\$250,000	\$47,000	8%	\$50,000	\$50,000	12%	\$457,291.20	\$393,000	7%	\$70,000	\$70,000	none	\$15,000	\$15,000	none	\$70,000	\$70,000	none	\$20,000	\$20,000	6%	Principal amount	\$800,000	Interest	11%	Principal amount	\$300,000	Interest	6%	Principal amount	\$704,856	Interest	12%	Principal amount	\$165,000	Interest	13%
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6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	<div>Upon and subject to the approval of The Toronto Stock Exchange the Company has agreed to issue 25,000 treasury shares to Pope Dealers Limited, c/o Sir Lionel Sands, Nassau, Bahamas, in consideration of arranging certain mortgage financing on the Company's behalf. Reference is made to paragraph 1 hereof and specifically to the proposed grant to Lincoln Rochester Trust Company, 183 East Main Street, Rochester, New York, of the right to subscribe for up to 500,000 shares at \$2.00 per share exercisable at any time up to July 31, 1968.</div>																																																	
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	<div>Reference is made to paragraph 6 hereof.</div>																																																	
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	<div>No payment has been or is to be made by or on behalf of the Company in cash or securities of the Company to a promoter or finder in connection with a proposed underwriting or property acquisition or in connection with the negotiation or implementation of the Proposal.</div>																																																	
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	<div>It is expected that the Company will operate merely as a holding company at least until the Notes given to its creditors under the Proposal are retired. During that period the only moneys received by the Company will be payments from Allied on account of the acquisition by it of the two shopping centres and the head leases of the eleven shopping centres as set out in Schedule "A" of paragraph 1 hereof and any dividends paid on the shares of Allied owner by the Company. Reference is made to paragraph 17 hereof.</div>																																																	
10. Brief statement of company's chief development work during past year.	<div>Two additional discount department stores and two additional shopping centres were developed during the past year and are now in operation. The said two discount department stores are located in the said two shopping centres.</div>																																																	
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	<div>Not applicable</div>																																																	
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	<div>Not applicable</div>																																																	
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	<div>2,000,000 shares in the capital of the Company are held in escrow and shall not, so long as the shares of the Company are listed on the Toronto Stock Exchange, be released or transferred without the consent of the Toronto Stock Exchange.</div>																																																	



## SCHEDULE "A"

On March 1, 1963 a petition was filed against the Company under the Bankruptcy Act. An interim receiver was later appointed. On March 22, 1963 the Company made a preliminary proposal under Part III of the Bankruptcy Act to its creditors for a stay of all claims for a period of six months. The preliminary proposal was withdrawn and on July 8, 1963 the Company made a new proposal (the "Proposal") which was accepted by its creditors at a meeting held July 19, 1963. The Court approved the Proposal on August 22, 1963. A meeting of the shareholders of the Company is to be held to authorize application for the supplementary letters patent mentioned below. The Clarkson Company Limited is the Trustee under the Proposal and is to be entitled to apply for its discharge upon distribution of the notes and shares referred to below. The Company's financial position as at April 30, 1963 was as shown on the financial statements filed herewith.

In summary the Proposal provides for

(i) payment of claims of secured creditors in accordance with the instruments of security or as may be arranged;

(ii) payment of claims of preferred creditors (amounting to approximately \$340,000 in aggregate) in priority to claims of unsecured creditors;

(iii) payment of fees and expenses of and incidental to the various proceedings;

(iv) payment of claims of unsecured creditors as follows:

(a) not exceeding \$100 (amounting to approximately \$8,000 in aggregate) - in full in cash;

(b) exceeding \$100 (amounting to approximately \$2,560,000 in aggregate) - unsecured notes as to 50% of the claim and shares without par value in the capital of the Company at \$2.00 per share as to remaining 50% of the claim. The notes to mature as to 10% of face value in each of the years 1970 to 1979 inclusive,



and until 1970 to bear simple interest at 3% per annum and thereafter interest compounded annually at 6% per annum;

(v) a Creditors' Committee to advise the Trustee on any matter under the Proposal, including settlement of claims, and to direct the trustee under the Voting Trust Agreement hereinafter referred to;

(vi) the deposit in escrow by Lincoln Rochester Trust Company of not less than 1,750,000 shares in the capital of the Company pursuant to a Voting Trust Agreement which is to remain in effect until the notes have been paid and to provide that

(a) the trustee thereunder is to vote the escrowed shares for the election of a majority of the directors of the Company as directed by the Creditors' Committee;

(b) Lincoln Rochester Trust Company or its assignee may advance the funds necessary to retire the notes and thereby terminate the voting trust; and

(c) none of the common shares in the capital of Allied Towers Merchants Limited ("Allied") held by the Company (approximately 43% of the issued common shares of Allied) are to be sold without the consent of two directors exclusive of directors representing the Creditors' Committee;

(vii) application by the Company for supplementary letters patent creating an additional 500,000 shares without par value and the grant to Lincoln Rochester Trust Company of rights to subscribe for up to 500,000 shares at \$2.00 per share exercisable at any time up to July 31, 1968.

The Company is currently negotiating agreements with Allied, its major concessionaire, and Department Store Holdings, the landlord of 11 of its 13 shopping centres, for the operation by Allied of the shopping centres. Such proposed agreements are to provide, inter alia, that Allied will take over the head leases of the 11 shopping centres and acquire the other two shopping centres upon terms that Allied will pay the Company \$50,000 per annum in each of the 12 years commencing January 1, 1964 plus  $7\frac{1}{2}\%$  of Allied's net profits before income taxes.



## IN THE MATTER OF THE PROPOSAL OF

ESTIMATED STATEMENT OF AFFAIRS AT APRIL 30, 1963  
(Prepared from information supplied by the Company)

THE CLARKSON COMPANY LIMITED, Trustee,  
15 Wellington Street West,  
Toronto 1, Ontario.

*Lehigh University*  
Director

*Raymond Zickman*  
Director



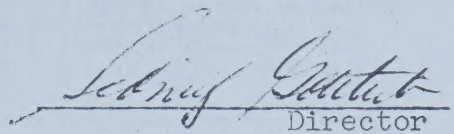
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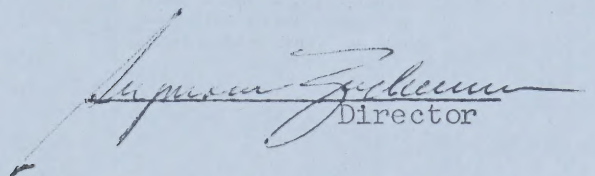
- A. The numbers (1) placed against the amounts of the secured creditors' claims indicate the assets which are pledged as security for the claim.
- B. The owners of the leased shopping centres and certain of the mortgagees on the owned centres have an assignment of accounts which are receivable under the Company's licence agreements with concessionaires. In the event of a bankruptcy it is believed that the effect of these assignments together with counter claims by the concessionaires would eliminate any value of these assets in the hands of a trustee for creditors.
- C. The great majority of the store fixtures and equipment were either leased or purchased by the Company on Conditional Sales Contracts and chattel mortgages. In the event of a bankruptcy the bulk of the equipment would be repossessed; there would be salvage only on certain minor items which had been purchased outright.
- D. The Company has an option to re-purchase three of the shopping centres and to re-finance the lease on another centre, these options expiring on February 1, 1964. It does not appear likely at the present time that the Company would find it practical to exercise these options.
- E. In October of 1962 the Company acquired the shares of a company whose sole asset was an office building in Buffalo, New York. This building was heavily mortgaged and in May of 1963 the mortgagees took a foreclosure action which it is believed will eliminate the possibility of any recovery on this investment.
- F. At April 30, 1963 the Company owned a second mortgage on an office building which was in the course of construction at Yonge and Davisville Streets in Toronto. Under the agreement in which this mortgage was acquired the Company entered into a long term lease on this building involving expenditures for rent, maintenance, etc. of approximately \$200,000 per annum commencing August 1, 1963. In May of 1963 no tenants were available to occupy the building at rents which would cover the Company's annual cost and the Company availed itself of an opportunity to relinquish the mortgage and be released from the lease obligation which it had incurred.
- G. At April 30, 1963 the unamortized cost of leases and leasehold improvements stood at \$756,000. In the proposed reorganization of the Company it will receive a minimum amount of \$600,000 for its interest in its leases.
- H. Canadian Imperial Bank of Commerce holds a registered general assignment of the Company's accounts receivable as well as a second mortgage on the Taschereau Shopping Centre in the City of Montreal. The Bank's assignment of the accounts receivable ranks subordinate to that held by the owners of the shopping centres.



Except to the extent of any changes that have taken or will take place under the Proposal as set out in the attached Filing Statement, there are no material changes in the items on the Estimated Statement of Affairs at April 30, 1963, since the date thereof.

DATED at Toronto this 10th day of September, 1963.

  
Director

  
Director



14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Lake & Co., 50 King Street West, Toronto is the registered holder of 1,999,991 of the said 2,000,000 escrowed shares. The Company understands that these shares are held by Lake & Co. for the benefit of Lincoln Rochester Trust Company.		
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<u>Names</u>	<u>Addresses</u>	<u>Shareholdings</u>
	Lake & Co.	50 King Street West, Toronto, Ontario	1,999,991
	T. A. Richardson & Co.	4 King Street West, Toronto, Ontario	72,220
	Bache & Co.	360 Bay Street, Toronto, Ontario	6,565
	Davidson & Co.	25 Adelaide Street West, Toronto, Ontario	5,305
	James Richardson & Co.	173 Portage Avenue East, Winnipeg, Manitoba	4,430
	The 1,999,991 registered in the name of Lake & Co. are part of the 2,000,000 shares held in escrow as stated in paragraph 13 above. The shares registered in the name of Lake & Co. are held by it for the benefit of Lincoln Rochester Trust Company. The Company does not know who is the beneficial owner of the other shares referred to above.		
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	As stated above the shares registered in the name of Lake & Co. are held by it for the benefit of Lincoln Rochester Trust Company, and this shareholding is large enough to materially affect control of the Company.		
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	(i)	The Company owns or controls all the issued shares of	
	(a)	Bendonald Properties Limited;	
	(b)	Towers Marts of Canada, Limited;	
	(c)	Towers Metropolitan Company Limited;	
	(d)	Vaber Investments Limited; and	
	(e)	Rectory Investments Limited.	
		None of the shares of these subsidiaries has any quoted market value.	
	(ii)	The Company owns 750,000 common shares without par value and 50,000 6% cumulative redeemable convertible first preference shares, 1962 Series with a par value of \$10 each in the capital of Allied Towers Merchants Limited, purchased for an aggregate consideration of \$1,250,000. All of the said preference shares and the common shares are held in escrow and all of the said preference shares have been pledged as collateral security for a loan. To the extent that it is able to do so, the Company has also pledged all of the said common shares as collateral security for the said loan.	
18. Brief statement of any lawsuits pending or in process against company or its properties.	Any lawsuits pending or in process against the Company or its properties at the date of its Proposal will be settled under the Proposal. There are no other lawsuits pending or in process against the Company or its properties.		
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	A Warrant Indenture dated as of September 1, 1961, between the Company and National Trust Company, Limited as Trustee, relating to the transferable subscription warrants referred to in paragraph 4 hereof.		
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	Under the Proposal shares are to be issued to unsecured creditors of the Company and such shares when issued will be in the course of primary distribution. There are no other material facts.		

DATED Sept. 10, 1963

#### CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

TOWERS MARTS AND PROPERTIES LTD. CORPORATE  
"S. Gottlieb" S. Gottlieb SEAL

"S. Zuckerman" S. Zuckerman Director

#### CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)